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**SOAH DOCKET NO. 473-21-0538  
PUC DOCKET NO. 51415**

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RECEIVED  
PUBLIC UTILITY COMMISSION  
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**APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION  
ELECTRIC POWER COMPANY FOR §  
AUTHORITY TO CHANGE RATES § OF TEXAS**

**COMMISSION STAFF'S EIGHTEENTH REQUEST FOR INFORMATION  
TO SOUTHWESTERN ELECTRIC POWER COMPANY  
QUESTION NOS. STAFF 18-1 THROUGH 18-3**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that Southwestern Electric Power Company (SWEPCO) and through its attorneys of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

Dated: May 3, 2021

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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/s/ Robert Dakota Parish  
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**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 3, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Robert Dakota Parish  
Robert Dakota Parish

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**COMMISSION STAFF'S EIGHTEENTH REQUEST FOR INFORMATION  
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**DEFINITIONS**

- 1) "SWEPCO" or "Company" or "you" refers to Southwestern Electric Power Company, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
  
- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist, and these documents will be provided.

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**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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**Staff 18-1** Please refer to the following testimony of Joel J. Multer in Docket No. 49737, *Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Acquisition of Wind Generation Facilities*, at page 9:

Q. HAS AEP PROJECTED THE PTC LIMITATION AND CORRESPONDING DTA OVER THE DURATION OF THE PTC UTILIZATION PERIOD?

A. Yes. AEP has prepared projections of the generation and utilization of tax credits, including PTCs produced from the Selected Wind Facilities, based upon AEP and its subsidiaries' forecasted consolidated tax liabilities. The projections have been determined considering the Selected Wind facilities at both the 50% probability (P50) and 95% probability (P95) production levels. The results reflect annual limitation of the PTCs generated by the Selected Wind Facilities with deferral of the cash tax benefits for periods of up to four years and peak cash tax deferral amounts of approximately \$300 million and \$232 million under P50 and P95 production levels, respectively. Please reference EXHIBIT JJM-2 for a summary of the Company's projected PTC generation from its ownership share of the Selected Wind Facilities, the utilization of such PTCs and the cumulative cash deferral resulting from limitations under the IRC as determined based on AEP and its subsidiaries' consolidated tax liabilities.

Please confirm or deny that the "expected customer savings" as asserted by SWEPCO in Docket No. 49737 (and the associated deferred tax asset balances that were reflected in the determination of those savings) were calculated based on SWEPCO's membership in the AEP consolidated tax return group and not on SWEPCO separate stand-alone taxable income. If deny, provide reference to the record in Docket No. 49737 that supports such denial.

**Staff 18-2** Please confirm that in SWEPCO's Response to Commission Staff's First Request for Information, Staff 1-3, in Docket No. 49737, SWEPCO explained that:  
"As a member of the AEP consolidated group the maximum deferral period is 4 years with a peak deferral of \$300 million. On a SWEPCO stand-alone basis, the maximum deferral period is 8 years with a peak deferral of \$460 million."

Please also confirm that the AEP Consolidated PTC Utilization and SWEPCO Stand-Alone PTC Utilization of \$300 million and \$460 million, respectively, were based on calculations that started with the year 2021 (Staff\_1\_3\_Attachment\_1).

**Staff 18-3** If the “expected customer savings” asserted by SWEPCO in Docket No. 49737 were calculated based on SWEPCO’s membership in the AEP consolidated tax return group, provide the dollar amount of the \$455,122,490 deferred tax asset associated with the SWEPCO separate stand-alone taxable income at issue in this proceeding that was included in the calculation of the “expected customer savings” in Docket No. 49737. If the amount provided is inconsistent with the AEP consolidated group’s use of SWEPCO’s operating losses provided in the response to Staff 9-19, Attachment 1 in this case, provide a detailed explanation and reconciliation of the inconsistency.